



Easy steps to avoid tax return errors that can delay processing or adjust refunds

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WASHINGTON — The Internal Revenue Service today reminded taxpayers how to avoid common errors on their tax returns. This filing season, the IRS is seeing signs of a number of common errors, including some taxpayers claiming incorrect amounts of the [Recovery Rebate Credit](#) and [Child Tax Credit](#).

To avoid errors on these common credits, there are some key steps people should remember. Taxpayers should refer to [Letter 6419](#) for advance Child Tax Credit payments and [Letter 6475](#) for third Economic Impact Payment amounts they received— or their [Online Account](#) – to prepare a correct tax return. Claiming incorrect tax credit amounts can not only delay IRS processing, but can also lead to adjusted refund amounts.

Here are other easy ways to avoid common mistakes being seen so far this tax season.

File electronically. Taxpayers can use their computer, smartphone or tablet to file their taxes electronically, whether through IRS [Free File](#) or other [e-file](#) service providers, to help reduce mistakes. Tax software guides people through each section of their tax return using a question-and-answer format. Enter information carefully. This includes any information needed to calculate credits and deductions. Using tax software should help prevent math errors, but taxpayers should always review their tax return for accuracy.

Use the correct filing status. Tax software, including IRS Free File, also helps prevent mistakes when selecting a tax return filing status. If taxpayers are unsure about their filing status, the [Interactive Tax Assistant](#) on IRS.gov can help them choose the correct status, especially if more than one filing status applies.

Answer the virtual currency question. The 2021 Form 1040 and 1040-SR asks whether at any time during 2021, a person received, sold, exchanged or otherwise disposed of any financial interest in any virtual currency. Taxpayers should not leave this field blank but should check either “Yes” or “No.”

Report all taxable income. Underreporting income may lead to [penalties](#) and [interest](#). [Organized tax records](#) help avoid errors that lead to processing delays and may also help to find overlooked deductions or credits. Taxpayers should have all their income documents on hand before starting their tax return. Examples are Forms W-2, 1099-MISC or 1099-NEC.

Include unemployment compensation. The IRS is seeing situations where people are not including unemployment compensation they received in 2021 on their tax returns. Although [a special law](#) allowed taxpayers to exclude unemployment compensation from taxes in 2020, it was only for that year. Unemployment compensation received in 2021 is generally taxable, so taxpayers should include it as income on their tax return.

Double-check name, birth date and Social Security number entries. Taxpayers must correctly list the name, Social Security number (SSN) and date of birth for each person they claim as a dependent on their individual income tax return. Enter each SSN and individual's name on a tax return exactly as printed on the Social Security card. If a dependent or spouse does not have and is not eligible to get a SSN, list the [Individual Tax Identification Number](#) (ITIN) instead of a SSN.

Double check routing and account numbers. Requesting [direct deposit](#) of a federal refund into one, two or even three accounts is convenient and allows the taxpayer access to their money faster. Make sure the financial institution routing and account numbers entered on the return are accurate. Incorrect numbers can cause a refund to be delayed or deposited into the wrong account. Taxpayers can also use their refund to [purchase U.S. Savings Bonds](#).

Mail paper returns to the right address. Paper filers should confirm the correct address for [where to file](#) on IRS.gov or on form instructions to avoid processing delays. Note that processing paper tax returns



could take much longer than usual. Taxpayers and tax professionals are encouraged to file electronically if possible.

Sign and date the return. If filing a joint return, both spouses must sign and date the return. E-filers can sign using a self-selected personal identification number (PIN). Taxpayers should review the [special instructions](#) to validate their 2021 electronic tax return if their 2020 return has not yet been processed.

Keep a copy. When ready to file, taxpayers should make a copy of their signed return and all schedules for their records.

Request an extension, if needed. Taxpayers who cannot meet the April 18 deadline can easily request a six-month filing extension to Oct. 17 and prevent late filing [penalties](#). Use Free File or [Form 4868](#). But keep in mind that, while an extension grants additional time to file, tax payments are still due April 18 for most taxpayers.